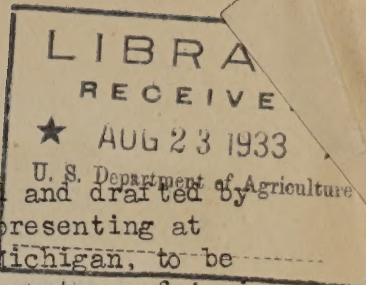


1.94
D 14 Mar
Detroit



This tentative marketing agreement has been proposed and drafted by the Michigan Milk Producers Association and the dealers representing at least 75% of the fluid milk sales in the City of Detroit, Michigan, to be submitted with application for public hearing before the Secretary of Agriculture at Washington, D. C.

AGREEMENT

As used in this agreement, the following words and phrases shall be defined as follows:

- a. "Contracting Producers" means and includes the Michigan Milk Producers Association and such other producers and associations of producers of milk as may become parties signatory to this agreement according to the terms thereof.
- b. "Contracting Distributors" means, and includes, such distributors and/or processors of milk and milk products as defined herein, as may be signatory to this agreement.
- c. "Fluid Milk" means and includes milk sold, or to be sold, as whole milk, either at wholesale or retail by the "contracting distributors" in the markets as come under this agreement.
- d. "Detroit Metropolitan Area" shall include a primary and secondary market as shown on the maps marked Exhibits E and F respectively, and made a part of this agreement.
- e. "Other Milk Products" means cream, buttermilk, skim milk, all fluid derivatives of milk and cottage cheese sold, or to be sold, in the areas defined herein by the contracting distributors.
- f. "Secretary" means the Secretary of Agriculture of the United States.
- g. "Act" means the Act of Congress entitled "An Act to relieve the existing national economic emergency by increasing agricultural purchasing power, to raise revenue for extraordinary expenses incurred by reason of such emergency, to provide emergency relief with respect to agricultural indebtedness, to provide for the orderly liquidation of joint-stock land banks, and for other purposes", approved May 12, 1933.

THE PARTIES to this agreement are the "contracting producers", parties of the first part, the "contracting distributors" parties of the second part, and the "Secretary", party of the third part.

WHEREAS, pursuant to the "Act", the parties hereto, for the purpose of correcting the conditions now obtaining in the marketing of "fluid milk" and other milk products, desire to enter into a marketing agreement under the provisions of Section 8 (2) of the "Act", and

WHEREAS, Michigan Milk Producers Association markets more than 75 percent of milk providing the milk and other milk products as defined herein, distributed and consumed in the areas defined herein, and represents that it has corporate power and authority to enter into this agreement, and

WHEREAS, the dealers, signatory to this agreement, distribute more than 75 percent of the fluid milk and other milk products sold in the areas defined herein, and purchase substantially all of the milk entering into said sales from the Michigan Milk Producers Association, and

WHEREAS, the marketing of "fluid milk" and other milk products produced for distribution in the areas defined herein, and distribution thereof affect and enter into both the current of interstate commerce and current of intrastate commerce, which are inextricably intermingled.

NOW THEREFORE in consideration of the premises, the parties hereto agree as follows:

1 - The prices at which milk shall be sold by the "contracting producers" and purchased by the "contracting distributors" for distribution or consumption in the areas defined herein, shall be those set forth in Exhibit "A" which is attached hereto and made a part hereof. The prices set forth in Exhibit "A" may be changed by agreement between the "Contracting producers" and the "contracting distributors" provided, however, that such price changes shall become effective only upon the written approval of the Secretary.

Payments to Detroit Dairy and Food Council, a non-profit corporation organized and existing under the laws of the State of Michigan, and payments of Michigan Milk Producers Association by the members thereof made pursuant to paragraph 4 hereof, shall both, respectively, be deemed part of the price paid to producers.

2 - The marketing plan governing the marketing of milk which is attached hereto, made a part hereof, and marked Exhibit "B", shall be binding upon the contracting producers as to all matters therein required on their part to be performed, and upon the contracting distributors as to all matters therein required on their part to be performed. Such marketing plan may be modified by agreement between the contracting producers and the contracting distributors, provided, however, that such modified marketing plan shall become effective only upon the written approval of the Secretary.

3 - The prices at which milk and other milk products, shall be distributed by the contracting distributors in the areas defined herein, shall be those defined and set forth in Exhibit "C" may be changed by agreement between the contracting producers and the contracting distributors, provided, however, that such price changes shall become effective only upon the written approval of the Secretary.

4 - The code of trade practices as set forth in Exhibit "D" shall be binding upon the contracting distributors and such code of trade practices may be modified only with the approval of the Secretary.

5 - The contracting distributors agree that they will not purchase "fluid milk" and milk for other milk products, from any producer not a member of the Michigan Milk Producers Association unless such producer authorizes the purchasing contracting distributor to pay over to the said Detroit Dairy and Food Council the same amount per hundred pounds of milk purchased, including deductions made for purpose of equalizing the price of excess milk, which the members of the Michigan Milk Producers Association are then authorizing the contracting distributors to pay over to the Michigan Milk Producers Association on behalf of its members, provided, however, that nothing in this agreement shall apply to milk bought for manufacturing purposes in manufacturing areas; and said contracting distributor SHALL SIMULTANEOUSLY WITH MAKING PAYMENT TO THE PRODUCER for milk purchased, make such payment to the said Detroit Dairy and Food Council. The sums so paid shall be kept as a separate fund by said Detroit Dairy and Food Council for the purpose of securing to said producers not members of the Michigan Milk Producers Association, advertising, educational, credit loss, price equalization of excess milk and other benefits similar to those which are secured by the members of the Michigan Milk Producers Association. Such Detroit Dairy and Food Council shall disburse such funds as directed by the Secretary.

6 - All producers of fluid milk and milk used for other milk products, whose farms have been inspected by any municipal jurisdiction in the areas defined herein, and whose milk is now being sold for fluid, and other milk products purposes, and the marketing of whose milk is not prohibited by health laws and ordinances applicable to the marketing of milk by said Michigan Milk Producers Association and who are not now members of said Association, shall, as heretofore, be permitted, so far as marketing conditions may allow, to become members of the Michigan Milk Producers Association on an equal basis with existing members similarly circumstanced.

7 - The contracting producers and the contracting distributors shall, as and to the extent required by the Secretary, severally maintain systems of accounting which shall be satisfactory to the Secretary and their respective books and records shall be subject to his examination during the usual hours of business and they shall severally, from time to time, furnish to the Secretary, on and in accordance with forms to be supplied by the Department of Agriculture, such information as the Secretary may request.

8 - The standards governing the production, receiving, transportation, processing, bottling and distribution of fluid milk, and milk used

for other milk products, sold or distributed in the areas defined herein, shall be those established by the health ordinances of the municipalities in which said milk is sold, and by this agreement.

9 - This agreement shall become effective at such time as the Secretary may determine and shall continue in force until the last day of the month following the aforesaid effective date, and thereafter from month to month, except that:

(a) The Secretary may (and shall, upon the request of either 75 percent of the contracting producers, or 75 percent of the contracting distributors - such percentages to be measured by volume of milk marketed and distributed, respectively) by notice in writing deposited in the registered mail, and addressed to the Michigan Milk Producers Association and the dealers signatory to this agreement, at the respective addresses now on file with the Secretary, on or before the 20th day of any month, terminate said contract as of the end of such month.

(b) The Secretary may, for good cause shown, as of the end of any month, terminate this agreement as to any party or parties signatory hereto by notice in writing deposited on or before the 20th of such month in the registered mails, and addressed to such party or parties at the address or addresses of such party or parties, on file with the Secretary.

(c) This agreement shall, in any event, terminate whenever Title I of the Act shall cease to be in effect, or whenever the President or Congress shall terminate those provisions of the Act which authorize this agreement.

10 - The benefits, privileges and immunities conferred by virtue of this agreement shall cease to exist upon the termination of this agreement and the benefits, privileges and immunities conferred by virtue of this agreement upon any party or parties signatory hereto shall cease to exist upon the termination of this agreement as to such party or parties.

IN WITNESS WHEREOF the parties hereto have hereunto set their hands and seals this 14th day of June 1933.

EXHIBIT "A"

PRODUCTION PRICES OF FLUID MILK

1 - Prices paid to producers shall be determined with reference to the rules for control of Basic Production (set forth in Exhibit "B" to this agreement) which set up definite quantities of milk known as "bases".

2 - In the sale of milk there shall be two classes:

- (1) Base milk - as defined in paragraph 1 of Exhibit "B".
- (2) Surplus milk - deliveries in excess of base milk.

3 - The price of base milk shall be \$1.85 per cwt. for milk of 3.5 percent butterfat subject to a butterfat differential of 3 cents per 1/10 of one percent of butterfat content above or below 3.5, f.o.b. Detroit or other point of sale subject to hauling rates now in effect.

4 - The price of Surplus milk shall be three and one-half times the price in the Chicago market of 92 score creamery butter sold at wholesale thereof adjusted by the aforesaid butterfat content differential, f.o.b. country receiving station.

5 - The price of the aforesaid classes in the secondary markets shall be the same as the price in the Detroit Primary market, less the freight differentials now in effect in said markets.

6 - Each contracting distributor agrees to purchase daily a quantity of base milk equal to 120 percent of his "fluid milk" sales and that all milk delivered in any calendar month shall be paid for not later than the 15th of the following month. Provided, however, that in the event of the purchase of more or less base milk than the 120 percent as stated above an adjustment shall be made between the "contracting distributor" and "contracting producers" on such excess or deficit at a price which shall be determined by subtracting the surplus milk price (adjusted to an f.o.b. Detroit basis) from the base milk price plus or minus such an amount as may be fixed by the parties hereto from month to month.

7 - The contracting distributors further agree to furnish to Michigan Milk Producers Association each month an accurate sworn statement of their respective sales of milk in each class, and to furnish such statement on or before the 10th of the month for each previous month's sales.

EXHIBIT "B"

RULES FOR CONTROL OF BASIS PRODUCTION

For the purposes of this agreement, the term "base" as used in respect to any producer, farm or herd, as the case may be, shall be the quantity of milk recorded as such in the files of the Michigan Milk Producers Association; except that in respect to those producers who sell milk within the areas defined herein, and who have no such established base, bases shall be allotted (by the Michigan Milk Producers Association) upon a basis which will be equitable as compared with the established bases of all other producers delivering to the same assembly point as such producers; and except that new producers, if any, will be allowed, during the first ninety (90) days in which they produce and market, a base equal to fifty percent (50%) of their average daily production for such ninety (90) days, and during the said ninety days, fifty percent of their daily production shall be paid for as milk of the first class, and the balance shall be paid for as milk of the second class.

1 - Producers who are tenants renting farms, may retain their respective bases.

2 - Producers who rent farms for cash, which farms have no base, will be entitled only to their own respective bases. Producers who rent on shares will be entitled to the entire base of farms so rented, if the landowners own the entire herds on such farms. Where cattle are owned jointly, the base will be divided according to the ownership of the cattle.

3 - The established bases of any landlord and his tenant or tenants may be combined.

4 - A base may be transferred with an entire herd where sale and transfer is made to one party at one transaction.

5 - Bases may be retained by producers only when milk is produced on farms that have supplied the market for fluid milk for consumption purposes in the areas defined herein, within the past year from farms that lie within a territory regularly supplying said market.

6 - Where a herd is dispersed for any reason without a transfer of its base, the herd must be replaced within sixty (60) days if such base is to be retained by the producer.

7 - Producers may combine all bases to which they may be entitled hereunder.

8 - Any producer who shall voluntarily remain off the market for a period of more than sixty (60) days shall, upon resuming production, be treated, for the purposes hereof, as a new producer.

EXHIBIT "C"

DISTRIBUTORS' PRICES

		RETAIL WAGON	WHOLESALE	INTERMEDIATE DEALER
Standard Milk	Gals	--	.30	.26
	Qts.	.10	.08	.06 1/2
	Pts.	.06	.05	.04
	Factory Pts	--	.05	--
	10 Oz	--	.03 1/2	.03
	1/2 Pts	--	.03	.02 1/2
Jersey Milk	Gals	--	.38	.34
	Qts	.12	.10	.08 1/2
	Pts	.08	.07	.06
	10 Oz	--	.05	.04
	1/2 Pts	--	.04	.03
Chocolate Milk	Qts	.11	.09	.08
	Pts	.07	.06	.05
	10 Oz	--	.04	.03 1/2
	1/2 Pts	--	.03 1/2	.03
Certified Milk	Qts	.15	.15	.15
	Pts	.09	.09	.09
	10 Oz	--	.06	.06
	1/2 Pts	--	.05	.05
Holstein Milk	Qts	.15	.15	.15
	Pts	.09	.09	.09
18% Cream	Gals	--	.90	.80
	Qts	--	.25	.22
20% Cream	Gals	--	1.00	.85
	Qts	.40	.27	.23
	Pts	.26	.22	.17
	1/2 Pts	.13	.11	.08 1/2
	1/4 Pts	.08	.07	.06
22% Cream	Gals	--	1.10	--
	Qts	--	.30	--
25% Cream	Gals	--	1.25	--
	Qts	.50	.35	--
	1/2 Pts	.16	.14	--
30% Cream	Gals	--	1.50	1.35
	Qts	.60	.45	.40
	Pts	.40	.36	.30
	1/2 Pts	.20	.18	.15
40% Cream	Gals	--	2.00	1.70
	Qts	.80	.55	.45
	Pts	.52	.44	.36
	1/2 Pts	.26	.22	.18

EXHIBIT C - Cont'd. Page 2

		RETAIL WAGON	WHOLESALE	INTERMEDIATE DEALER
Skim Milk	Gals	--	.20	.16
	Qts	.08	.06 1/2	.05
	Pts	.05	.04	.03
Soured Cream	Gals	--	1.00	.85
	Qts	.40	.27	.23
	Pts	.26	.22	.17
	1/2 Pts	.13	.11	.08 1/2
Buttermilk (cultured, fat free)	Gals	--	.20	.16
	Qts	.08	.06 1/2	.05
	Pts	.05	.04	.03
	10 Oz	--	.03	.02 1/2
	1/2 Pts	--	.02 1/2	.02
Buttermilk (fat containing)	Gals	--	.30	.26
	Qts	.10	.08	.06 1/2
	Pts	.06	.05	.04
	10 Oz	--	.03 1/2	.03
	1/2 Pts	--	.03	.02 1/2
Acidopholus Milk	Qts	.20	.20	--
	Pts	.12	.12	--
	10 Oz	--	.10	--
	1/2 Pts	--	.08	--
Tomato Acidopholus Milk	Qts	.15	--	--
	Pts	.09	--	--
	10 Oz	.05	--	--
Lactic Buttermilk	Qts	.15	.15	.15
	Pts	.09	.09	.09
	10 Oz	--	.08	.08
	1/2 Pts	--	.07	.07
Cottage Cheese - Dry Lbs.		.10	.08	.07
	Dry 12 Oz	.08	.06 1/2	.05 1/2
	Cream Lbs.	.12	.10	.09
	Cream 12 Oz Pkg.	.10	.08	.07
	Flavored Cream 12 Oz Pkg.	.11	.09	.08
	Dry Bulk	--	.07	.06
Cream Bulk		--	.07	.06
Irradiated				
Vitamin D Milk	Gals	--	.36	.30
	Qts	.11	.09	.08
	Pts	.07	.06	.05
	1/2 Pts	--	.03 1/2	.03

		<u>RETAIL WAGON</u>	<u>WHOLESALE</u>	<u>INTERMEDIATE DEALER</u>
Natural Vitamin D Milk	Gals	--	--	--
	Qts	.12	.10 1/2	--
	Pts	.08	.07	--
Chocolate Vitamin D Milk	Qts	.13	.11	--
	Pts	.09	.08	--
Cereal Treat 8% Fat	Qts	.22	.17	--
	10 Oz	.07	.06	--

Stores are to sell all products at not less than Retail Wagon prices, except that quarts of Standard milk and quarts of Jersey milk may be sold by stores at prices 1¢ below said listed Retail Wagon prices.

Welfare milk shall be sold at 1¢ below the above listed Retail Wagon prices.

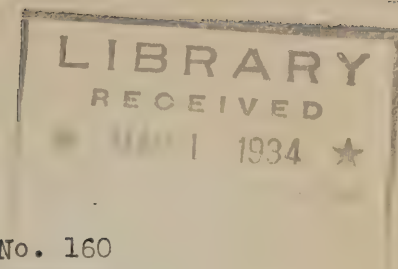
Intermediate Dealers shall be charged 1/2¢ for each bottle of product returned.

EXHIBIT "D"

Code of Trade Practices
To be Observed by
Contracting Distributors

1. The butter-fat content of Standard milk shall be not less than 3.5 nor more than 3.6 percent.
2. The butter-fat content of Special milk, known in the Detroit market as "Jersey" or "Guernsey" milk shall be not less than 4.5 nor more than 4.6 percent.
3. The contracting distributors agree not to sell or offer for sale milk of any grade other than those listed in Exhibit C until said grade and the price at which it is to be sold have been approved by the Secretary as being fair and reasonable.
4. No rebates or discounts from list prices shall be given to any buyer or to any class of buyers.
5. No contracting distributor shall pay or give a premium or allow a discount of any sort to a customer buying tickets which are exchangeable for milk and/or milk products.
6. No premiums, dairy products, or any other thing of value shall be given for any purpose.
7. No commission, rebate, free products or any other thing of value shall be given to any janitor, caretaker, owner or employee of any apartment house, hotel, public or charitable institution.
8. No contracting distributor shall use any bottle, can, case or other container the title to which is vested in another person, firm or corporation, provided, however, that a group of distributors may use a bottle which is owned jointly.
9. No contracting distributor shall place or allow, directly or indirectly, any salesman, in any capacity, nor recognize any former salesman as an intermediate dealer, in any territory which he had previously covered for another distributor until one year after the termination of said previous employment.
10. No contracting distributor shall sell milk and/or other milk products to any intermediate dealer who is buying milk and/or other milk products from another distributor.
11. No contracting distributor shall solicit any intermediate dealer from any other distributor, nor take any intermediate dealer from another distributor except upon 30 days written notice to said distributor.
12. The contracting distributors agree to adhere to those methods of securing the return of bottles, cans, cases, and other containers as shall be adopted by the contracting distributors, provided such methods are approved by the Secretary as fair and reasonable.
13. No contracting distributor shall refuse to sell one class of product to a buyer because said buyer refuses to buy another class handled or sold by said distributor.

1.94
II 14 Ma
Detroit



Docket No. 160

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION

PROPOSED
MARKETING AGREEMENT
FOR MILK
DETROIT, MICHIGAN, SALES AREA

This proposed marketing agreement for milk in the Detroit, Michigan, sales area in its present form merely reflects the proposal of the above mentioned industry, and none of the provisions contained herein are to be regarded as having received the approval of the Agricultural Adjustment Administration as applying to this industry.

PROPOSED MARKETING AGREEMENT FOR MILK

DETROIT, MICHIGAN, SALES AREA.

The parties to this Agreement are the contracting distributors, the contracting producers, and the Secretary of Agriculture of the United States.

WHEREAS, it is the declared policy of Congress as set forth in Section 2 of the Agricultural Adjustment Act, approved May 12, 1933, as amended; -

- (a) To establish and maintain such balance between the production and consumption of agricultural commodities, and such marketing conditions therefor, as will reestablish prices to farmers at a level that will give agricultural commodities a purchasing power with respect to articles that farmers buy, equivalent to the purchasing power of agricultural commodities in the base period, the base period in the case of all agricultural commodities except tobacco being the prewar period, August 1909 - July 1914; and
- (b) To approach such equality of purchasing power by gradual correction of the present inequalities therein at as rapid a rate as is deemed feasible in view of the current consumptive demand in domestic and foreign markets; and
- (c) To protect the consumers' interest by readjusting farm production at such level as will not increase the percentage of the consumers' retail expenditures for agricultural commodities, or products derived therefrom, which is returned to the farmer in the prewar period, August, 1909 - July 1914; and

WHEREAS, pursuant to the Agricultural Adjustment Act, the parties hereto, for the purpose of correcting conditions now obtaining in the production of milk and the distribution thereof in the Detroit, Michigan, Sales Area, and to effectuate the declared policy of the Act, desire to enter into a Marketing Agreement under the provisions of Section 8 (2) of the Act:

NOW, THEREFORE, the parties hereto agree as follows:

I.

As used in this Agreement, the following words and phrases shall be defined as follows:

A. "Producer" means any person, irrespective of whether any such person is also a distributor, who produces milk in conformity with the applicable health requirements of the Detroit Sales Area for milk to be sold for consumption as whole milk in the Detroit Sales Area. "Contracting producer" means any association of producers as may become a party signatory to this Agreement according to the terms hereof.

B. "Distributor" means any of the following persons engaged in the business of distributing, marketing or in any manner handling, in whole or in part, whole milk or cream for ultimate consumption in the Detroit Sales Area, and a party signatory to this Agreement:

1. Persons, irrespective of whether any such person is also a producer:
 - (a) who pasteurize bottle or process milk or cream
 - (b) who distribute milk or cream at wholesale or retail (1) to hotels, restaurants, stores or other establishments for consumption on the premises, (2) to stores or other establishments for resale, or (3) to consumers.
 - (c) who operate stores or other establishments for the sale of milk or cream at retail for consumption off the premises.
2. Persons wherever located or operating, whether within or without the Detroit Sales Area, who purchase, market or handle milk or cream for resale in the Detroit Sales Area.

"Non-contracting distributor" means any person who performs any of the functions hereinabove described and has not become a party signatory to this Agreement according to the terms hereof.

C. "Detroit Sales Area" means the territory lying within the following boundary lines:

Beginning at the point where the southern boundary line of the County of Wayne joins the Detroit River; thence running due west to the western boundary of Brownstown Township thence north along the said western boundary to the northern boundary of said township; thence due west along the southern boundary lines of Romulus and Van Buren Townships to the western boundary line of said County of Wayne; thence due north along said western boundary and the said County of Wayne into the County of Oakland, continuing due north along the western boundary line of the Townships Novi, Commerce, and Whitelake to the northern boundary of the said Whitelake Township; thence due east along the township lines into the County of Macomb, continuing due east along the northern boundaries of Shelby and Macomb Townships to the eastern boundary line of Macomb Township; thence south to the southern boundary of said

township; thence due east to the shore of Anchor Bay; thence in a southwesterly direction along the shore of said Anchor Bay, continuing along the shore of lake St. Clair, and continuing farther along the shore of said Detroit River to the point of beginning.

D. "Secretary" means the Secretary of Agriculture of the United States.

E. "Act" means the Agricultural Adjustment Act, approved May 12, 1933, as amended.

F. "Person" means individual, partnership, corporation, association, or any other business unit.

G. "Subsidiary" means any person, of, or over whom or which, a distributor or an affiliate of a distributor has, or several distributors collectively have, either directly or indirectly, actual or legal control, whether by stock ownership or in any other manner.

H. "Affiliate" means any person and/or any subsidiary thereof, who has, either directly or indirectly, actual or legal control, over a distributor, whether by stock ownership or in any other manner.

I. "Books and records" means books, records, accounts, contracts, memoranda, documents, papers, correspondence, or other data, pertaining to the business of the person in question.

J. "Market Administrator" means the person designated pursuant to Exhibit A.

K. "Milk Industry Board" means the board established pursuant to Exhibit A.

II.

1. The schedule governing the prices, at which and the terms and conditions under which milk shall be purchased by distributors from producers, shall be that set forth in Exhibit A.

2. No distributor shall purchase milk from producers except (a) those producers having bases which are to be reported as provided in Exhibit B, which is attached hereto, and made a part hereof, and (b) new producers pursuant to the provisions of Exhibit A.

3. The distributors shall not purchase milk from any producer unless such producer authorized such distributor, with respect to payments for milk purchased to comply with the provisions of Exhibit A.

4. (a) The distributors shall severally, from time to time, upon the request of the Secretary, furnish him with such information on and in accordance with forms of reports to be supplied by him for the purposes of (1) assisting the Secretary in the furtherance of his powers and duties with respect to this Agreement and/or (2) enabling the Secretary to ascertain and determine the extent to which the declared policy of the Act and the purpose of this Agreement are being effectuated; such reports to be verified under oath. The Secretary's determination as to the necessity of and the justification for the making of any such reports, and the information called for thereby, shall be final and conclusive.

(b) For the same purposes and/or to enable the Secretary to verify the information furnished him on said forms and reports, all the books and records of each distributor and the books and records of the affiliates and subsidiaries of each distributor, shall, during the usual hours of business, be subject to the examination of the Secretary. The Secretary's determination as to the necessity and the justification for any such examination, shall be final and conclusive.

(c) The distributors and their respective affiliates and subsidiaries shall severally keep books and records which will clearly reflect all the financial transactions of their respective businesses and the financial condition thereof.

(d) The distributors and contracting producers severally agree that upon the request of the Secretary, they will procure the execution by their respective affiliates and subsidiaries of supplemental Agreements with the Secretary, in form satisfactory to the Secretary, by which each such affiliate and subsidiary will agree to comply with and assist in the performance of the provisions of this paragraph.

(e) All information furnished the Secretary, pursuant to this paragraph, shall remain confidential in accordance with the applicable General Regulations, Agricultural Adjustment Administration; provided, however, that the Secretary may make all such information available to any state milk control board appointed pursuant to the law of any state.

5. No distributor shall purchase milk or cream from, or process or distribute milk or cream for, or sell milk or cream to, any other distributor, including non-contracting distributors, of whom he has notice that such other distributor is violating any provision of this Agreement, without first reporting such violation to the Market Administrator. Notice given by the Market Administrator to any distributor that any other distributor is violating any provision of this License shall be deemed to be sufficient notice for the purpose of this paragraph.

6. The Secretary may, by designation in writing, name any person, including any officer or employee of the Government, to act as his representative in connection with any of the provisions contained in this Agreement to be performed by the Secretary.

7. Each distributor shall within 15 days after the effective date of this Agreement furnish to the Market Administrator a bond with surety satisfactory to the Market Administrator, or such other adequate security, as may be satisfactory to the Market Administrator for the purpose of securing the fulfillment of such distributor's obligations under the terms of this Agreement. The Market Administrator, may, in his own discretion, or upon good cause shown by any distributor waive such requirement, as to any distributor, but any such distributor may, at any subsequent time, be required by the Market Administrator to comply with the foregoing requirement.

8. Each and every distributor shall fulfill any and all of his obligations which shall have arisen by virtue of and pursuant to the License for milk, for the Detroit Sales Area issued by the Secretary August 23rd, 1933.

9. If any provision of this Agreement is declared invalid, or the applicability thereof to any person, circumstance or thing is held invalid, the validity of the remainder of this Agreement, and/or the applicability thereof, to any other person, circumstance or thing, shall not be affected thereby.

10. Nothing herein contained shall be construed in derogation of the right of the Secretary to exercise any powers granted him by the Act, and in accordance with such powers, to act in the premises whenever he shall deem it advisable.

11. The distributors hereby apply for and consent to licensing by the Secretary, subject to the applicable General Regulations of the Agricultural Adjustment Administration.

12. This Agreement confers no exemption from the antitrust laws of the United States and does not make lawful any acts otherwise unlawful, excepting as provided in the Act to the extent necessary to accomplish the purposes of this Agreement.

13. This Agreement may be executed in multiple counterparts, which, when signed by the Secretary, shall constitute when taken together, one and the same instrument, as if all such signatures were contained in one original.

14. After this Agreement first takes effect, any association of producers or any non-contracting distributor may become a party to this Agreement, if a counterpart thereof is executed by him and by the Secretary. This Agreement shall take effect as to such new contracting party at such time as the Secretary may declare above his signature attached to such counterpart, and the benefits, privileges, and immunities conferred by this Agreement shall then be effective as to such new contracting party.

15. This Agreement shall become effective at such time as the Secretary may declare above his signature attached hereto, and shall continue in force until terminated in one of the following ways:

(a) The Secretary may, at any time, terminate this Agreement as to all parties hereto, by giving at least one day's notice by means of a press release or any other manner which the Secretary may determine.

(b) The Secretary may, at any time, terminate this Agreement as to any party signatory hereto, by giving at least one day's notice by depositing the same in the mail, addressed to such party at his last known address.

(c) The Secretary shall terminate this Agreement upon the request of seventy-five percent (75%) of the contracting producers, measured by total volume of milk produced and marketed by contracting producers for distribution as fluid milk, during the calendar month next preceding the date of any such request, or seventy-five percent (75%) of the distributors, measured by total volume of milk distributed by the distributors as fluid milk during such calendar month, by giving notice in the same manner as provided in section (a) of this paragraph.

(d) This Agreement shall, in any event, terminate whenever the provisions of the Act, authorizing it cease to be in effect.

16. Any term of this Agreement, with the exception of paragraph 15 hereof, may be amended upon the consent of (a) seventy-five percent (75%) of the contracting producers, measured by total volume of milk produced and marketed by the contracting producers for distribution as fluid milk during the calendar month next preceding the date of any such amendment, and (b) seventy-five percent (75%) of the distributors, measured by total volume of milk distributed by contracting distributors as fluid milk during such calendar month; provided, however, that any such amendment shall become effective only upon the written approval of the Secretary.

IN WITNESS WHEREOF, the contracting producers and contracting distributors, acting under the provisions of the Agricultural Adjustment Act, for the purposes and subject to the limitations therein contained, and not otherwise, have hereunto set their respective hands and seals.

WHEREAS, it is provided by Section 8 of the Act as follows:

"In order to effectuate the declared policy, the Secretary of Agriculture shall have power - - - (2) To enter into marketing agreements with processors, associations of producers, and others engaged in the handling, in the current of interstate or foreign commerce of any agricultural commodity or product thereof, after due notice and opportunity for hearing to interested parties. The making of any such agreement shall not be held to be in violation of any of the antitrust laws of the United States, and any such agreement shall be deemed to be lawful: Provided, That no such agreement shall remain in force after the termination of this Act."

And -

WHEREAS, due notice and opportunity for hearing to interested parties has been given pursuant to the provisions of the Act, and the regulations issued thereunder; and

WHEREAS, the Secretary finds (1) that the contracting producers are engaged in the marketing of milk, and that the contracting distributors are engaged in the distribution of fluid milk in the current of interstate commerce; and (2) that the marketing of milk and the distribution of fluid milk in intrastate commerce is inextricably intermingled with the marketing of milk and the distribution of milk in interstate commerce; and

WHEREAS, it appears, after due consideration, that this Agreement will tend to effectuate the policy of Congress declared in Section 2 of the Act, as hereinbefore in this Agreement set forth.

NOW, THEREFORE, I, Henry A. Wallace, Secretary of Agriculture, acting under the provisions of the Agricultural Adjustment Act, for the purpose and within the limitations therein contained, and not otherwise, do hereby execute this Agreement under my hand and official seal of the Department of Agriculture, in the City of Washington, District of Columbia, on this _____ day of _____, _____, and pursuant to the provisions hereof, declare this Agreement to be effective on and after _____ M. Eastern Standard Time, _____.

Secretary of Agriculture.

EXHIBIT A

PRICES TO BE PAID PRODUCERS

Section A. Cost of Milk to Distributors.

1. Each distributor shall be obligated to pay producers the following prices for milk of 3.5 percent butterfat content which he has purchased:

Class I - \$1.95 per cwt.

Class II - The price per hundred pounds of milk shall be $3\frac{1}{2}$ times the average wholesale price of 92 score butter at Chicago as reported by the United States Department of Agriculture, during the calendar month during which such milk is delivered, plus $33\frac{1}{3}$ percent, then plus twenty cents (20¢).

Class III - The price per hundred pounds of milk delivered during any calendar month shall be the price per hundred pounds of milk paid by the Michigan Producers Dairy Co. (a corporation organized and existing under the laws of the State of Michigan) to the Michigan Milk Producers Association for milk delivered during such calendar month, provided that in no event shall such price be less than $3\frac{1}{2}$ times the average wholesale price of 92 score butter at Chicago during such calendar month as reported by the United States Department of Agriculture.

The above prices for Class I milk and for Class II milk shall be f.o.b. distributor's plant in the Detroit Sales Area. The above price for Class III milk shall be f.o.b. country plant.

2. Class I milk means all milk sold by distributors as whole milk and chocolate or flavored milk for consumption in the Detroit Sales Area, plus any additional shipments of milk to distributors in the Detroit Sales Area up to and including 10 percent of the amount thus sold during any calendar month, without regard to the use made of such additional shipments.

Class II milk means all milk, not already accounted for as Class I milk, used by distributors to produce cream for sale by the distributors as cream for consumption in the Detroit Sales Area.

Class III milk means all milk sold or used by distributors in excess of their Class I and Class II milk.

Milk purchased from producers during any calendar month and sold by a distributor to other distributors as milk or cream shall be accounted for by the selling distributor as Class I or Class II milk, as the case may be, unless such selling distributor, on or before the date fixed for filing reports with the Market Administrator for such calendar month, shall furnish satisfactory proof to the Market Administrator that such milk or cream has

been utilized for purposes other than Class I or Class II milk, in which event such milk or cream shall be classified in accordance with such other use.

3. The established base for each producer shall be that quantity of milk allotted to each producer in accordance with the provisions of Exhibit B hereof.

The delivered base for any producer shall be that quantity of milk delivered by that producer to any distributor which is not in excess of the established base of such producer.

4. Any distributor who (a) does not distribute milk for consumption in the Detroit Sales Area, and (b) does not purchase milk from producers, as defined in this Agreement, namely from those producers who produce milk in conformity with the applicable health requirements of the Detroit Sales Area for milk to be sold for consumption as whole milk in the Detroit Sales Area, may at any time be required by the Market Administrator to submit reports, containing such information as the Market Administrator may specify similar to the information required to be reported by other distributors, pursuant to paragraph 5 hereof.

5. (a) On or before the 8th day of each calendar month, each distributor shall report to the Market Administrator (with respect to the preceding calendar month) in a manner prescribed by the Market Administrator,

- (1) the actual deliveries of producers supplying him at each location, indicating the total quantity of milk represented by delivered bases and the total quantity represented by the excess of established bases.
- (2) the actual deliveries made to him by other distributors, if any,
- (3) the quantities of milk delivered to him at each location which was sold or used by him as Class I, Class II, and Class III milk, respectively,
- (4) the adjustments to be made pursuant to Section B of this Exhibit, and
- (5) such other information as the Market Administrator may request for the purpose of being able to perform the provisions of this Exhibit.

(b) In the event that the Michigan Milk Producers Association (a corporation organized and existing under the laws of the State of Michigan) agrees to perform the obligation of the distributors to whom said Association has sold milk, with respect to any adjustments which such distributors may otherwise have to make to the Market Administrator, as provided in paragraph 8 of this Section, said Association shall submit, on or before the 10th day of each calendar month, a report containing such information as provided in subdivision (a) above, which report shall include all milk sold or handled

by said Association at each location, including such milk sold to the distributors. In such case, said Association shall be deemed to be included in the term "distributor" with respect to all milk included in the aforesaid reports, whenever such term is used in this Exhibit, and the distributors who have purchased milk from said Association shall not be required to submit reports with respect to such purposes unless they are specifically requested to do so by the Market Administrator. Such distributors, upon notice from the Market Administrator that said Association has agreed as aforesaid, shall thereafter submit to said Association on or before the 8th day of each calendar month, reports containing such information as provided in subdivision (a) above with respect to all milk purchased from said Association.

6. With respect to each calendar month, the Market Administrator shall:

- (a) Compute the total value of the milk in each class, of each and all distributors as reported in paragraph 5 in accordance with the prices set forth in paragraph 1 above, subject to adjustments to be made pursuant to Section B of this Exhibit, which computation shall not include milk purchased by one distributor from another distributor.
- (b) Compute the total quantity by hundredweight of the milk represented by all the delivered bases of all producers.
- (c) Compute the value of the milk sold or used by distributors in excess of the total delivered bases of all producers at a price per hundred pounds which is equal to 3-1/2 times the average wholesale price of 92 score butter at Chicago during such calendar month as reported by the United States Department of Agriculture.
- (d) Compute the total value of the milk represented by the total delivered bases by subtracting from the amount obtained in subdivision (a) above, the amount obtained in subdivision (c) above.
- (e) Compute the total adjusted value f.o.b. plants of distributors in the Detroit Sales Area of the milk represented by the total delivered bases, by adding to the total value of such milk computed pursuant to subdivision (d), the adjustments provided for in Section C (1).
- (f) Compute the blended price per hundredweight of all the milk represented by the delivered bases f.o.b. the plants of distributors in the Detroit Sales Area, by dividing the amount computed pursuant to subdivision (e) by the total amount of milk (measured by hundredweight) computed pursuant to subdivision (b).

7. On or before the 10th day of each calendar month, the market Administrator shall notify all distributors required to report pursuant to paragraph 5, of the blended price which all producers are to be paid for milk delivered by such producers represented by their delivered bases.

8. Each distributor shall pay to all producers on or before the 15th day of each calendar month, for milk delivered by such producers during the preceding calendar month, subject to adjustments and deductions which are to be made pursuant to Sections C and D, respectively, as follows:

- (a) At the blended price for the milk represented by the delivered base of each producer; and
- (b) At a price per hundred pounds which is equal to $3\frac{1}{2}$ times the average wholesale price of 92 score butter at Chicago during such calendar month as reported by the United States Department of Agriculture, for all milk delivered by each producer in excess of the delivered base of such producer.

All payments made pursuant to this paragraph shall be accompanied by statements made on forms approved by the Market Administrator.

9. The Market Administrator shall maintain for each distributor an adjustment account:

- (a) Which shall be debited with the total value of the milk purchased and sold or used by such distributor during each calendar month, computed pursuant to paragraph 6 (a) of this Section; and
- (b) Which shall be credited for the total value of all the milk (as reported in paragraph 8 of Section A) of such distributor on the basis of the prices to be paid for the same, as determined pursuant to paragraph 8. Such credit shall be made after giving effect to the adjustments provided for in Section C (1), but before giving effect to the adjustments and deductions provided for in Section C (2) and Section D.

Balances on adjustment accounts shall be settled with the Market Administrator or by the Market Administrator, as the case may be, simultaneously with making payments to producers.

Any payments made on estimates, any errors in computation of payments, or any discrepancies in reports of distributors, shall be adjusted with respect to the following calendar month.

10. Whenever the Market Administrator has a balance on hand from any source, in excess of any adjustments to be made to the distributor, he may distribute such balance or any part thereof, in an equitable manner, to all producers in the market.

11. The Market Administrator and/or the Michigan Milk Producers

Association shall at all reasonable times have the right to check sampling, weighing and butterfat tests made by distributors for the purpose of determining the accuracy thereof. In the event of a discrepancy between weights and tests reported by distributors and weights and tests determined by the Market Administrator and/or the Michigan Milk Producers Association, settlements shall be made by distributors upon the basis of such weights and such butterfat content as the Market Administrator may in each case decide. In the event of any conflict between the provisions of this paragraph and any regulation, order or ruling of the Department of Agriculture of the State of Michigan, such regulation, order or ruling shall control.

Section B. Adjustments in Cost of Milk to Distributors.

Each distributor shall be entitled to deduct the following standard hauling rates from the prices set forth in paragraph 1 of Section A for all Class I and Class II milk purchased at locations other than f.o.b. distributor's plant in the Detroit Sales Area:

<u>Location</u>	<u>Transportation Adjustments Per Cwt.</u>
No. Farmington	14¢
Cherry Hill	14¢
Flat Rock	14¢
Farmington	14¢
Willis	15¢
Newport	14¢
So. Lyons	15¢
Washington	14¢
Romeo	15¢
Stoney Creek	15¢
Richmond	15¢
Peters	16¢
Saline	16¢
Brighton	16¢
Ortonville	17¢
Maybee	16¢
Memphis	17¢
Belle River	17¢
Clinton	18¢
Atlas	18¢
Grand Blanc	18¢
Imlay City	18¢
Capac	19¢
Lapeer	19¢
Yale	20¢
Britton	20¢
Fowlerville	20¢
Brown City	21¢
Adrian	21¢
Marlette	22¢
Clifford	23¢
Perry	23¢
Vassar	24¢
Owosso	25¢
Grass Lake	21¢
Parma	25¢
Rillsdale	27¢

<u>Location</u>	<u>Transportation Adjustments Per Cwt.</u>
Litchfield	27¢
Sandusky	24¢
Homer	27¢
Ray Center	15¢
Croswell	24¢
Deckerville	27¢
Raymond	22¢
Stockbridge	23¢
Ovid	27¢
Mason	23¢
Watertown	23¢
Rattlerun	17¢
Brooklyn	21¢

Unless the prior written consent of the Market Administrator to compute the adjustments in cost of milk to distributors, made pursuant to this Section, on some other basis is first obtained, such adjustments shall be computed on the basis that

- (a) to the extent necessary to supply such distributor with milk sold or used by him as Class I milk, the milk which was delivered to him at locations in or nearest to the Detroit Sales Area was sold, distributed or used by him as Class I milk; and
- (b) to the extent necessary to supply such distributor with milk sold, used or distributed by him as Class II milk, the milk which was delivered to him at locations in or nearest to the sales area (in excess of the quantity of milk, if any, delivered at such locations and sold, distributed or used as Class I milk pursuant to subdivision (a) above) was sold, distributed or used as Class II milk.

Section C. Adjustments in Payments to Producers.

1. Each distributor shall be entitled to deduct the standard hauling rates set forth in Section B, from the payments to be made by such distributor to producers, with respect to the delivered base of such producer for milk purchased at locations other than f.o.b. distributors' plants in the Detroit Sales Area. No adjustments shall be made by distributors from the payments to be made to producers with respect to the milk delivered by such producer in excess of his established base.

2. Distributors shall make the following additional payments to, or be entitled to make the following deductions from, as the case may be, the payments to be made to producers pursuant to paragraph 8 of Section A:

If during any calendar month any producer has delivered to any distributor milk having an average butterfat content other than 3.5 percent, such distributor shall pay to such producer a butterfat differential of

three cents per hundred pounds for each 1/10th of one percent average butterfat content above, or shall be entitled to deduct a butterfat differential of three cents per hundred pounds for each 1/10th of one percent of butterfat content below, 3.5 percent, when the average price of butter on the Chicago Market as reported in Section A is less than twenty-five cents (25¢) per pound, but when such butter price averages twenty-five cents (25¢) or more per pound the differential as above provided shall be four cents (4¢).

Section D. Deductions from Payments to Producers.

1. Each distributor and the Michigan Milk Producers Association shall deduct three-quarters of a cent ($3/4$ ¢) per hundredweight from the payments to be made by him or by it pursuant to Section A in regard to all milk delivered to him or to it by producers who are members of the Michigan Milk Producers Association and pay over such deduction to the Market Administrator simultaneously with making payment to producers for milk purchased.

2. Each distributor and the Michigan Milk Producers Association shall deduct three cents (3¢) per hundredweight from the payments to be made by him or by it pursuant to Section A in regard to all milk delivered to him or to it by producers who are not members of the Michigan Milk Producers Association and pay over such deduction to the Market Administrator simultaneously with making payment to producers for milk purchased.

3. The Market Administrator, in his discretion, may at any time waive the payment of the foregoing deductions or any part thereof, for any delivery period; provided, however, that any such waiver with respect to the amounts retained by the Market Administrator to meet his cost of operation shall be applicable in proportion to the payments made pursuant to paragraph 1 and to three-quarters of a cent ($3/4$ ¢) from the payments made pursuant to paragraph 2.

4. The Market Administrator shall maintain a separate account for the payments made to him pursuant to paragraphs 1 and 2. The Market Administrator shall apportion the monies in the following manner:

- (a) The payments made pursuant to paragraph 1 and three-quarters of a cent ($3/4$ ¢) per hundredweight from the payments made pursuant to paragraph 2 shall be retained by the Market Administrator to meet his cost of operation; provided, however, that any such funds which may remain over from such deduction in excess of the cost of operation of the Market Administrator for any particular delivery period shall be applied by him in meeting his cost of operation for the succeeding delivery period and to the extent that it may be practical, the Market Administrator shall waive a portion of such deduction as herein in this Section provided. The Market Administrator may, in his

discretion and to the extent that it may be practical, employ the facilities and services of the Michigan Milk Producers Association for the purpose of effectuating the provisions of Section A, and shall pay over to said Association for the employment of such facilities and services an amount agreed upon as reasonable between himself and the Michigan Milk Producers Association.

- (b) Two and a quarter cents (2 1/4¢) per hundredweight from the payments made to the Market Administrator pursuant to paragraph 2 shall be retained by the Market Administrator and expended by him for the purpose of securing for producers who are not members of said Association market information, supervision of weights and tests, and other benefits similar to those received by the members; provided, however, that the Market Administrator may, in his discretion, employ the facilities and services of said Association and pay over such amount to said Association, for the purpose of securing to such non-members the aforementioned benefits if such benefits to non-members may be more efficiently and economically secured thereby. The Market Administrator shall pay over such funds to said Association, if he determines to do so, only upon the consent of such Association, (a) to keep its books and records in a manner satisfactory to the Market Administrator; (b) to permit the Market Administrator to examine its books and records and to furnish the Market Administrator such verified reports or other information as the Market Administrator may from time to time request; and (c) to disburse such funds in the manner above provided.

Section E. The Market Administrator - His Designation, Duties and Compensation.

The Secretary shall designate the Market Administrator who shall perform such duties as may be provided for him in the Agreement. The Market Administrator so designated shall be subject to removal, at any time, by the Secretary. Before he enters upon his duties, the Market Administrator shall execute and deliver to the Secretary his bond in such amount as the Secretary may determine, with surety thereon satisfactory to the Secretary, conditioned upon the faithful performance of his duties as such Market Administrator. The Market Administrator shall be entitled

- (a) to reasonable compensation, which shall be determined by the Secretary;
- (b) to borrow money to meet his cost of operation until such time as the first payments are made to him pursuant to Section D of this Exhibit, which monies shall be repaid out of the payments retained by the Market Administrator pursuant to paragraph 4 (a) of said Section D; and

- (c) to incur such other expenses, including compensation for persons employed by the Market Administrator as the Market Administrator may deem necessary for the proper conduct of his duties, and the cost of procuring and continuing his bond, which total expense shall be deemed to be the cost of operation of the Market Administrator.

The Market Administrator shall not be held personally responsible in any way whatsoever to any party to this Agreement or to any other person for errors in judgment, mistakes of fact or other acts, either of commission or omission, except for acts of dishonesty, fraud, or malfeasance in office.

The Market Administrator shall keep such books and records as will clearly reflect the financial transactions provided for in this Agreement. The Market Administrator shall permit the Secretary to examine his books and records at all times, and furnish the Secretary such verified reports or other information as the Secretary may, from time to time, request of him.

Section F. Establishment of Milk Industry Board.

The Secretary may in his discretion, at any time, establish a Milk Industry Board, which shall have representation of producers, distributors, and the public. The Milk Industry Board shall have such duties and powers as the Secretary may, from time to time, delegate to it in order to effectuate the provisions and purposes of this Agreement. The Secretary may further, in his discretion, authorize and direct the Market Administrator to pay over to the Milk Industry Board for the purpose of meeting its general expenses, a portion of the monies deducted by the Market Administrator for his cost of operation, pursuant to Section D of this Exhibit, providing such portion shall in no event exceed one-fourth of a cent ($1/4\phi$) per hundred pounds of milk for which such payment is made.

Section G. New Producers.

New Producers shall be those producers who were not, prior to the effective date of the agreement, selling milk to distributors for distribution as fluid milk for consumption in the Detroit Sales Area. No distributor shall hereafter purchase milk from any new producer unless the distributor shall first obtain a permit by making due written application to the Market Administrator, upon a form supplied by the Market Administrator, authorizing him to purchase such milk. The Market Administrator shall render his decision in connection with any such application within two weeks after filing of application. The Market Administrator, in determining whether to issue such permit, shall ascertain whether its issuance will tend to prevent the effectuation of the policy of the Act and of the purposes of this Agreement. In the event that any distributor is denied such permit after having made such written application to the Market Administrator, he shall have the right of immediate appeal to the Secretary, in a manner determined by the Secretary. If and when a permit is issued to a new producer, a base shall be allotted to him by the Market Administrator which shall be equitable as compared with bases already established.

EXHIBIT B

RULES FOR ESTABLISHMENT OF BASES

1. For the purposes of this Agreement, the term "base" as used in respect to any producer, farm, or herd, as the case may be, shall be:

- (a) In the case of members of Michigan Milk Producers Association, the quantity of milk recorded as such base in the files of the Michigan Milk Producers Association; provided, however, that such bases shall be subject to review and adjustment by the Market Administrator.
- (b) In the case of producers who are not members of the Michigan Milk Producers Association, bases shall be allotted by the Market Administrator, which bases shall be equitable as compared with the bases established by the Michigan Milk Producers Association.

2. Every distributor shall, within ten days after the effective date of this Agreement, submit to the Market Administrator written reports verified under oath, containing the following information: (1) with respect to each producer who has delivered milk to such distributor and (2) for each calendar month during the years of 1932 and 1933 or such portion thereof as the producer may have delivered milk:

- (a) The total pounds of delivered milk,
- (b) The average percentage of butterfat in such delivered milk,
- (c) The total pounds of butterfat in such delivered milk.

3. When bases are established for producers, as hereinabove provided, the Market Administrator shall notify each distributor of the bases of the producers who are delivering milk to such distributor.

4. A producer with a base, who, as tenant, rents a farm, may retain his base, and if he rents a farm for cash, the farm having no base, he is limited to his individual base.

5. A landlord who rents on shares is entitled to the entire base to the exclusion of the tenant, if the landlord owns the entire herd on such farm. If cattle are owned jointly, either on a landlord and tenant relationship or otherwise, the base will be divided between the joint owners, according to the ownership of the cattle.

6. The separate bases of any landlord and his tenant or tenants may be handled as a single base.

7. A producer with a base who sells his entire herd to one purchaser at one time may transfer the base to his purchaser.

8. A producer who moves his herd may retain his base only if thereafter milk is produced by him on a farm (1) which has supplied milk for whole milk in the Detroit Sales Area within one year preceding, or (2) which lies within a territory which has regularly been supplying milk as aforesaid.

9. Where a herd is dispersed for any reason, without the base having been transferred with the herd, the producer must replace the herd within 60 days if he is to retain his base.

10. Any producer may combine all his bases to which he may be entitled hereunder (for example, a producer with a base who acquires another herd accompanied by a transfer of the base from the seller, may combine the two bases).

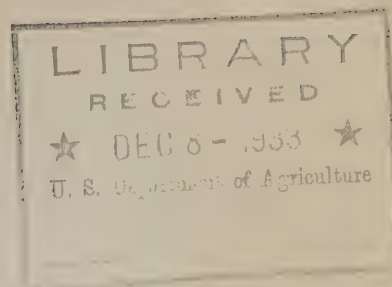
11. Any producer who voluntarily ceases to market milk as fluid milk in the Detroit Sales Area for a period of more than 75 consecutive days shall lose his base, and in the event he resumes production he shall be treated, for the purposes hereof, as a new producer.

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION

PROPOSED
MARKETING AGREEMENT
FOR MILK
DETROIT, MICHIGAN, SALES AREA
SUBMITTED BY:
Michigan Milk Producers Association

The Chief Hearing Clerk, Department of Agriculture,
does hereby certify that this is a true and correct copy
of the Proposed Marketing Agreement for Milk, Detroit,
Michigan, sales area delivered to this office by B. B.
Derrick, Acting Chief, Dairy Section.

34
D. H. Ma
Detroit



AMENDMENT TO MARKETING AGREEMENT

and

LICENSE FOR MILK

DETROIT MILK SHED

ARTICLES OF AGREEMENT made and entered into by and between the CONTRACTING PRODUCERS and the CONTRACTING DISTRIBUTORS OF MARKETING AGREEMENT FOR MILK - DETROIT MILK SHED.

WITNESSETH, that,

WHEREAS, the said Marketing Agreement, Paragraph 1 of Subdivision III, provides as follows:

The schedule governing the prices at which, and the terms and conditions under which, milk shall be sold by the contracting producers and purchased by the contracting distributors for distribution as fluid milk shall be that set forth in exhibit A, which is attached hereto and made a part hereof. Such Schedule may be changed by agreement between the contracting producers and the contracting distributors, provided that such changes shall become effective only upon the written approval of the Secretary; and,

WHEREAS the parties hereto, representing more than seventy five percent of the production and distribution of milk in the Milk Shed and Sales Area described in said contract, desire to change Schedule A of said contract; and,

WHEREAS the said change will more fully perform the purposes of the Agricultural Adjustment Act by providing for a greater return to the producers delivering milk as provided in said agreement; and,

WHEREAS it is deemed for the best interests of the market that said change be effected:

NOW THEREFORE, the parties hereto agree as follows:

1- That Exhibit "A" Rules for milk Production Prices and amounts shall be changed as follows:

Subdivision (a) of paragraph 1 shall read as follows:

(a) That portion of the milk purchased by the contracting distributor which is sold by such contracting distributor as whole milk shall be deemed to be class I milk. The difference between the amount of milk which the contracting distributor has purchased from such producer and the amount of milk sold by such contracting distributor as whole milk shall be classified as follows:

Class II. An amount not in excess of 15% of Class I milk shall be deemed to be Class II milk.

Class III. An amount over Class I and II not in excess of 5% of Class I milk shall be deemed to be Class III milk.

Class IV. The amount of milk purchased from the producer by such distributor in excess of the amount of Class I, Class II, and Class III milk shall be deemed to be Class IV milk.

2 - Subdivision (b) of paragraph 1 shall read as follows:

Each contracting distributor shall be obliged to pay the following prices, f. o. b. distributor's plant, in the Detroit sales area for the milk which such contracting distributor has purchased:

Class I: \$1.85 per hundredweight.

Class II: \$1.25 per hundredweight.

Class III: Three and one-half times the price in the Chicago market of 92-score creamery butter, plus 20 cents.

Class IV: Three and one-half times the price in the Chicago market of 92-score creamery butter, plus thirty percent of said three and one-half times Chicago 92-score creamery butter, plus 20¢.

3 - Sub-Subdivision (i) of subdivision (a) of paragraph 3 shall read as follows:

The total quantities of base milk purchased by all contracting distributors shall be classified as provided in Paragraph 1 (a) of this Exhibit and the several quantities as so classified shall be multiplied by the respective Class I, Class II, Class III, and Class IV, prices for such milk as set forth above.

Other than subject to the above changes, the contract: and all Exhibits thereto shall stand as in the original thereof.

IN WITNESS WHEREOF the parties hereto have hereunto set their hands and seals the day and year set opposite their respective names.

NAME	DATE
W. J. Kennedy Dairy Company	October 6, 1933
Michigan Farmers Dairy M. C. Marian	October 6, 1933
Borden's Farm Products Co. of Michigan per A.M. Heyboer, Vice President	October 6, 1933
Family Creamery Company by Geo. Ristfy, Pres.	October 6, 1933
Affholter Brothers Creamery, Inc. by S. J. Affholter	October 6, 1933
The Fair Creamery Co. by Thomas G. Economy, Secy.	October 6, 1933
Thos. Rebel, Pres.	October 6, 1933
Morning Starlight Dairy E. T. Semran	October 6, 1933
Detroit Pure Milk Co. by Samuel T. Angott	October 6, 1933
Bel-Mont Creamery Co. by M. Taporowski	October 6, 1933
Ideal Creamery Co. by Wm. L. Hartrig	October 6, 1933
Freeman Dairy Co. by S. F. Maine	October 6, 1933
Proctor Creamery Co. by Frank Szczepanske	October 6, 1933
Horger Creamery Co. by John J. Horger	October 6, 1933
West Warren Creamery by Peter Bator	October 6, 1933
General McGrath Dairy by Maxwell Case, Mgr.	October 6, 1933

Brown's Creamery by Melvin J. Brown	October 6, 1933
Boulevard Dairy by J. B. Thompson	October 6, 1933
Johnson Creamery by L. Earl Johnson	October 6, 1933
Wayne Creamery Henry Johnson	October 6, 1933
Krueger Creamery Co. Carl Land	October 6, 1933
Mt. Clemens Dairy B. J. Kegen	October 6, 1933
Wm. M. Calhoun	
Ira Wilson & Sons Dairy Co.	October 11, 1933
Pontiac Dairy Company J. Harry Brickley	October 13, 1933
Detroit Creamery Co. C. Wesley Ebling	October 13, 1933
Ebling Creamery Co. C. Wesley Ebling	October 13, 1933
Michigan Milk Producers Association By N. P. Hull, Pres. B. F. Beach, Sec. & Mgr.	October 13, 1933 October 13, 1933

WHEREAS, it appears, after due consideration, that the aforesaid Amendment of the Marketing Agreement for Milk Detroit Milk Shed, will tend to effectuate the policy of Congress set forth in Section 2 of the Agricultural Adjustment Act in that such marketing agreement, as amended, will:

(1) establish and maintain such balance between the production of milk in the Detroit Milk Shed and the consumption of such milk and its products in the Detroit Sales Area and such marketing conditions therefor as will reestablish prices to the producers thereof at a level that will give such agricultural commodity a purchasing power with respect to articles that farmers buy, equivalent to the purchasing power of such agricultural commodity in the base period as defined in Section 2 of the Act; and

(2) approach such equality of purchasing power by gradual correction of the present inequalities herein at as rapid a rate as is possible in view of current consumptive demand in domestic and foreign markets; and

(3) to protect the consumers' interest by retaining the production of such agricultural commodity at such level as will not increase the percentage of the consumers' retail cost for such agricultural commodity or product derived therefrom which was returned to the farmers above the percentage which was returned to the farmers in the pre-war period August 1909 - July 1914.

NOW, THEREFORE, I, HENRY A. WALLACE, Secretary of Agriculture, acting under the provisions of the Agricultural Adjustment Act, for the purposes and within the limitations therein contained, and not otherwise, do hereby execute this Amendment amending the "Marketing Agreement for Milk - Detroit Milk Shed," heretofore duly executed by me, under my hand and the official seal of the Department of Agriculture in the City of Washington, District of Columbia, on this 15th day of November, 1933; and pursuant to the provisions thereof, I declare this amendment to be effective on and after 12:01 a.m. eastern standard time, November 20, 1933.

(S) R. G. TUGWELL
Acting Secretary of Agriculture

AMENDMENT OF LICENSE FOR MILK - DETROIT MILK SHED

WHEREAS, it is provided by Section 8 of the Act, as follows:

"Section 8. In order to effectuate the declared policy, the Secretary of Agriculture shall have power --

"(3) To issue licenses permitting processors, associations of producers and others to engage in the handling, in the current of interstate or foreign commerce, of any agricultural commodity or product thereof, or any competing commodity or product thereof. Such licenses shall be subject to such terms and conditions not in conflict with existing acts of Congress or regulations pursuant thereto as may be necessary to eliminate unfair practices or charges that prevent or tend to prevent the effectuation of the declared policy and the restoration of normal economic conditions in the marketing of such commodities or products thereof and the financing thereof *****

"(4) To require any licensee under this section to furnish such reports as to quantities of agricultural commodities or products thereof bought and sold and the prices thereof, and as to trade practices and charges, and to keep such systems of accounts as may be necessary for the purpose of part 2 of this title"; and

WHEREAS, the Secretary, acting under the provisions of said Act for the purposes and within the limitations therein contained, after due notice and opportunity for hearing to interested parties given pursuant to the provisions of said Act, and to the regulations issued thereunder, has, on the 23rd day of August, 1933, executed under his hand and the official seal of the Department of Agriculture a certain agreement entitled "Marketing Agreement for Milk - Detroit Milk Shed", and

WHEREAS, the Secretary, acting under the provisions of said Act, for the purposes and within the limitations therein contained, after due notice and opportunity for hearing to interested parties given pursuant thereto, and in the regulations issued thereunder, and after due consideration, he has, on the 15th day of November, 1933, executed under his hand and the official seal of the Department of Agriculture, a certain agreement entitled "Amendment of Marketing Agreement for Milk - Detroit Milk Shed", and

WHEREAS, the Secretary has determined that it is necessary to modify the terms and conditions of the "License for Milk - Detroit Milk Shed" (heretofore issued by the Secretary on the 23rd day of August, 1933, and effective 12:01 A. M., Eastern Standard Time, August 27, 1933), in order that such terms and conditions may be in conformity with the said "Marketing Agreement for Milk - Detroit Milk Shed" as amended by the aforesaid "Amendment to Marketing Agreement for Milk - Detroit Milk Shed" and to accomplish more effectively the declared policy of said Act and the purpose and intent of said Marketing Agreement as amended,

NOW, THEREFORE, the Secretary of Agriculture, acting under the authority vested in him as aforesaid;

Hereby amends and modifies the terms and conditions of the aforesaid "License for Milk - Detroit Milk Shed" as follows:

1. That the aforesaid License for Milk - Detroit Milk Shed shall be amended by striking out all of paragraph 1 of Exhibit A thereof and inserting in lieu thereof as paragraph 1 of Exhibit A the following:

(1) The price to be paid to any producer by the distributor purchasing such producer's milk shall be determined as follows:

(a) That portion of the milk purchased by the distributor which is sold by such distributor as whole milk shall be deemed to be class I milk. The difference between the amount of milk which the distributor has purchased from such producer and the amount of milk sold by such distributor as whole milk shall be classified as follows:

Class II. An amount not in excess of 15% of Class I milk shall be deemed to be Class II milk.

Class III. An amount over Class I and II not in excess of 5% of Class I milk shall be deemed to be Class III milk.

Class IV. The amount of milk purchased from the producer by such distributor in excess of the amount of Class I, Class II, and Class III milk shall be deemed to be Class IV milk.

(b) Each distributor shall be obliged to pay the following prices, f.o.b., distributor's plant, in the Detroit sales area for the milk which such distributor has purchased:

Class I: \$1.85 per hundredweight.

Class II: \$1.25 per hundredweight.

Class III: Three and one-half times the price in the Chicago market of 92-score creamery butter, plus 20 cents.

Class IV: Three and one-half times the price in the Chicago market of 92-score creamery butter, plus thirty percent of said three and one-half times Chicago 92-score creamery butter, plus 20 cents.

2. That the aforesaid License for Milk - Detroit Milk Shed shall be amended by striking out all of subsection (i) of sub-paragraph (a) of Paragraph 3 of Exhibit A and inserting in lieu thereof a new subsection (i) of subparagraph (a) of Paragraph 3 of Exhibit A, reading as follows:

- (i) The total quantities of base milk purchased by all distributors shall be classified as provided in Paragraph 1 (a) of this Exhibit and the several quantities as so classified shall be multiplied by the respective Class I, Class II, Class III, and Class IV, prices for such milk as set forth above.

3. Paragraph 1 of Exhibit A and subsection (i) of subparagraph (a) of paragraph 3 of Exhibit A as contained in said License for Milk - Detroit Milk Shed shall cease to be effective on and after the effective date of this Amendment.

4. This Amendment of the License for Milk - Detroit Milk Shed shall become effective at such time as the Secretary may declare above his signature attached hereto.

5. The provisions of the aforesaid License except as amended by this Amendment shall continue to be in full force and effect.

6. Nothing herein contained shall release or otherwise affect the liability of any licensee in respect to any violation by him prior to the effective date of this Amendment to License for Milk - Detroit Milk Shed.

7. IN WITNESS WHEREOF, I, Henry A. Wallace, Secretary of Agriculture of the United States, do hereby execute this Amendment to License for Milk - Detroit Milk Shed, in the City of Washington, District of Columbia, on this 15th day of November, 1933, and pursuant to the provisions hereof, declare the provisions of said Amendment to License for Milk - Detroit Milk Shed, to be effective on and after 12:01 A. M., Eastern Standard Time, November 20th, 1933.

(S) R. G. TUGWELL
Acting Secretary of Agriculture.